AUTHORIZING THE SECRETARY OF THE NAVY TO ENLARGE EXISTING WATER-SUPPLY FACILITIES FOR THE SAN DIEGO, CALIF., AREA IN ORDER TO INSURE THE EXISTENCE OF AN ADEQUATE WATER SUPPLY FOR NAVAL INSTALLATIONS AND DEFENSE PRODUCTION PLANTS IN SUCH AREA

SEPTEMBER 13, 1951.—Ordered to be printed

Mr. Long, from the Committee on Armed Services, submitted the following

REPORT

[To accompany S. 234]

The Committee on Armed Services, to whom was referred the bill (S. 234) to authorize the Secretary of the Navy to enlarge existing water-supply facilities for the San Diego, Calif., area in order to insure the existence of an adequate water supply for naval installations and defense production plants in such area, having considered the same, report favorably thereon with an amendment, and recommend that the bill, as amended, do pass.

AMENDMENTS

The bill is amended by striking all after the enacting clause and substituting new language.

PURPOSE OF THE BILL

The purpose of the bill is to authorize the Secretary of the Navy to build a second tube or barrel adjacent to the existing aqueduct which connects the water distribution system of the San Diego area with the Metropolitan aqueduct. The Metropolitan aqueduct, which is already connected with the water distribution system in the San Diego area by the first barrel of the San Diego aqueduct, brings water a distance of some 300 miles from the Colorado River to the southern California area.

The construction of the proposed second barrel is necessary to insure an adequate water supply to the vital defense installations located in the vicinity of San Diego.

EXPLANATION

Reasons why local water resources are inadequate

There are no important rivers in the San Diego area. Prior to World War II the community historically relied upon the catchment of rain in mountain reservoirs for its water supply, supplemented by a minor amount pumped from underground sources. As the population increased, more dams and reservoirs were added so that at the present time the major local water resources have been developed to their maximum output.

At the time of Pearl Harbor the reservoirs in the area were full. The 9½ billion gallons of water impounded by these reservoirs would have supplied the community for more than 10 years even without any replenishment. Subsequent developments, however, have so increased the requirement for water that the local resources have all

but been exhausted.

The major increase in aircraft manufacture in the San Diego area and the greatly increased strength of naval personnel on board the stations in San Diego County resulted in the population almost doubling in a period of 5 years. As a result the average consumption of water for the 10-year period prior to Pearl Harbor as compared with the consumption for the year 1945, increased by five times.

Concurrently the San Diego area has undergone an unusually severe cycle of drouth. During the past year an annual total of less than 5 inches of rainfall fell as contrasted with the normal 10-inch precipitation. Since 1945 the area has experienced the most serious

drouth conditions in 50 years.

As a result of the foregoing circumstances, the reserve water supply in the reservoirs began to decrease alarmingly. As World War II progressed, the situation rapidly assumed proportions of a serious emergency. The President authorized the construction of the first barrel of the aqueduct in 1945. The Navy constructed the project during the period 1945-47. The project was completed in December 1947, and deliveries at the rate of 85 cubic feet of water per second began. The volume of water released from this first barrel of the aqueduct constitutes approximately 30 percent of the water consumed by the city of San Diego. The construction of this first barrel of the aqueduct at a cost of approximately \$14 million is covered by a contract with the San Diego Water Authority which provides for the repayment of the amount in full during a period of 30 years. The emergent nature of the situation precluded taking advantage of the more normal methods of financing this project through a local bond This emergency action was subsequently validated by the Congress in Public Law 482, Eightieth Congress, approved April 15, 1948 (62 Stat. 171).

Need for a second barrel to the San Diego aqueduct

The expansion of military installations and the resumption of aircraft procurement have created emergency conditions which are

almost identical to those which prevailed in 1945.

At the present time there is only a 1-year reserve left in the water facilities available to San Diego. The expanding defense activities in the area place a continuing drain on the meager water supplies which are immediately available. It would be extremely serious if

the 1-year reserve were permitted to deteriorate further without at the same time taking positive action which will insure additional water from outside sources. This aspect of the matter is particularly cogent when it is realized that it will require from 18 months to 2 years to construct the second barrel of the present aqueduct. In other words, at the time the second barrel is completed, the existing reserve will have been depleted almost to the vanishing point. These factors make it quite clear that the situation constitutes a serious emergency which requires remedial action.

Cost and financing arrangements

The construction of the second barrel would cost approximately \$18 million. The bill provides that this sum, plus interest at the same rate as other long-term Government loans, be repaid to the Government over a period of not to exceed 40 years. The project, therefore, is a self-liquidating one which will not entail any ultimate expense to the Federal Government.

Effect on other States entered in the Colorado River compact

Because of the fact that the water which would flow through the second barrel comes from the Colorado River, there was apprehension on the part of representatives of the States entered in the Colorado River compact, the Boulder Canyon Project Act, the California Self-Limitation Statute and the Mexican Water Treaty. This apprehension was the result of concern over whether the supply of water for the second barrel of the San Diego aqueduct might either decrease the supply of water allocated to States other than California, or increase the total quantity of water to which the State of California might be entitled by these agreements.

The committee amendments to the bill were made in response to apprehensions voiced before the House Armed Services Committee. The committee is assured that the bill in its present form meets those

objections.

Other solutions to the problem

The committee recognizes the desirability of leaving such matters as this in the hands of the local community, which can approve a bond issue for the financing of a project of this type, rather than to resort to the course recommended in the bill. The fact that litigation on certain acquisitions of the original right-of-way for the first barrel is still incomplete plus the fact that developments since outbreak of the Korean emergency, makes it impossible to delay initiation of the project pending the completion of steps necessary to finance the construction through a bond issue. A basic consideration in the matter is the fact that the situation in San Diego is one which is caused primarily by defense installations located in that area rather than by a normal expansion of the community itself.

RECOMMENDATIONS OF THE DEPARTMENT

Letters from the Department of Interior and the Department of Navy commenting on the original text of the bill are attached hereto and made a part of this report. The bill in its amended form is acceptable to the departments concerned as well as to the nongovernmental agencies having an interest in water secured from the Colorado River. DEPARTMENT OF THE INTERIOR, OFFICE OF THE SECRETARY, Washington 25, D. C., August 21, 1951.

Hon. RICHARD B. RUSSELL,

Chairman, Committee on Armed Services, United States Senate, Washington 25, D. C.

My Dear Senator Russell: In your letter of February 16, 1951, this Department was asked to report to your committee on S. 234, a bill to authorize the Secretary of the Navy to enlarge existing water-supply facilities for the San Diego, Calif., area in order to insure the existence of an adequate water supply for naval installations and defense production plants in such area.

The Bureau of Reclamation now has in preparation a detailed planning report on the second barrel of the San Diego aqueduct, the undertaking which enactment of S. 234 would authorize. This report, when it is completed, will contain a full discussion of the engineering feasibility of the project, its cost, the terms and conditions under which it is anticipated that the cost would be repaid to the

United States, and the need for the project.

Until that report, the preparation of which is being financed in part by Federal appropriations and in part by funds contributed by the San Diego County Water Authority, has had adequate internal review in this Department, I would prefer not to attempt to advise your committee with respect to details of the project. It will, I trust, be enough for the present if I say that our studies indicate that the new work will comprise 59.1 miles of reinforced-concrete pipe of 72-, 54-, and 48inch diameter and 1.8 miles of 48-inch diameter steel pipe together with appurtenant structures and that a preliminary estimate of cost, based upon July 1950 prices, is \$14,111,000. All indications to date are that this cost can be repaid over a 40-year period and that the project has engineering feasibility.

Your committee may believe that the provision of an adequate water supply in the San Diego area is sufficiently urgent to warrant its proceeding without awaiting a detailed report from this Department on the matters mentioned above. If so, it should, nevertheless, I believe, be fully aware of the legal complications which are involved in any proposal to construct in the lower basin of the Colorado River permanent works which will make possible an increased utilization of the

waters of that stream.

Among the documents presently governing the waters of the lower Colorado River Basin and their use are the Colorado River compact of 1922, the Boulder Canyon Project Act, the various contracts entered into under the provisions of that act, and what is commonly referred to as the California Self-Limitation Act (1929 Cal. Stat. 38f). A great deal of testimony in regard to these various documents and their meaning and effect was presented at hearings on S. 75, Eighty-first Congress, and H. R. 1500, Eighty-second Congress, among others.

As a condition precedent to the construction of the Boulder Canyon project,

the Congress required either that the Colorado River compact be ratified by all seven States of the Colorado River Basin or that it be ratified by six States, of which California should be one, and that California "agree irrevocably and unconditionally with the United States and for the benefit of the States of Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming * * * that the aggregate annual consumptive use (diversions less returns to the river) of water of and from the Colorado River for use in the State of California * * * shall not exceed four million, four hundred thousand acre-feet of the waters apportioned to the lower basin States by paragraph (a) of article III of the Colorado River compact, plus not more than one-half of any excess or surplus waters unapportioned by said compact. * * *" The States followed the second of these

Subsequent to the enactment of the Boulder Canyon Project Act, the various users of Colorado River water in California agreed upon their respective priorities for the diversion and use of the waters of the Colorado River. The substance of that agreement has been embodied in all contracts which this Department has entered into with those users. These contracts are expressly subject to the terms

of the Colorado River compact and the Boulder Canyon Project Act.

In the system of priorities just referred to the city and/or the county of San Diego was recognized as having a right to the use of 112,000 acre-feet of water under the fifth priority. The rights of the city and/or county of San Diego were subsequently merged with those of the Metropolitan Water District of Southern California which enjoys a fourth priority for a portion of its water supply. Through this merger it appears that the city and/or county of San Diego receives and will receive at least a part of its supply of Calcado Birer and the first water with the city and or county of San Diego receives and will receive at least a part of its supply of Colorado River water under the fourth

priority and that the remainder will come under the fifth priority. The value of both the fourth and the fifth priorities depends upon the meaning and effect of the Colorado River compact, the Boulder Canyon Project Act, the California Self-Limitation Act, and the rights claimed by or accorded to the holders of the

first three priorities.

The new works which enactment of S. 234 would authorize to be built will increase the ability of the city and county of San Diego to utilize water. By themselves, however, they will not enlarge the present ability of the Metropolitan aqueduct to divert water from the Colorado River. There is presently available in the Colorado River sufficient unused water to meet San Diego's requirements as represented by the new works proposed. That water, however, although in abundant supply at the present time, is water which under the present California priority system must come out of or be charged against the fourth and fifth priorities.

There is a controversy between the States of California and Arizona over the proper interpretation to be placed upon the Colorado River compact, the Boulder Canyon Project Act, and the California Self-Limitation Act. Suffice it to say that if the contentions of the State of California are correct, there is sufficient water to supply all of the rights now claimed by it. If, on the other hand, the contentions of the State of Arizona are correct there is not permanently available sufficient water to supply the rights existing under the fifth California

priority or even, perhaps, the whole of the fourth priority.

I have already pointed out that the new works proposed will not by themselves increase the ability to divert water from the Colorado River. Their construction will, however, place an immediate demand upon the river which in the long run may become directly involved in the legal complications of the river. Congress may, nevertheless, after considering the national defense aspects of the construction of these works, decide that those aspects are of sufficient importance to warrant investment of Federal funds therein regardless.

Please call on us if we can be of any further assistance to your committee in

its consideration of S. 234.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

WILLIAM E. WARNE, Assistant Secretary of the Interior.

DEPARTMENT OF THE NAVY, OFFICE OF THE SECRETARY, August 8, 1951.

Hon. RICHARD B. RUSSELL, Chairman, Committee on Armed Services, United States Senate, Washington, D. C.

My Dear Mr. Chairman: Your request for comments on S. 234, to authorize the Secretary of the Navy to enlarge existing water-supply facilities for the San Diego, Calif., area in order to insure the existence of an adequate water supply for naval and Marine Corps installations and defense-production plants in such area, has been assigned to the Department of the Navy by the Secretary of Defense for the preparation of a report thereon expressing the views of the Depart-

ment of Defense.

The purpose of S. 234 is to authorize and direct the Secretary of the Navy to provide for enlargement of the existing aqueduct extending from the west end of the San Jacinto tunnel of the Metropolitan Water District of Southern California to the San Vicente Reservoir in San Diego County, Calif., as may be necessary to increase the rated capacity of such existing aqueduct from 85 cubic feet per second to not less than 165 cubic feet per second, or to construct a new aqueduct paralleling such existing aqueduct and having a rated capacity of not less than 80 cubic feet per second. The proposed bill also prescribes the terms for conveyance of title to the proposed improvements, when constructed, from the United States to the San Diego County Water Authority.

A study reveals that a critical water situation exists in the San Diego area to

such an extent that approximately 1 year's supply of water is all that remains in reserve at the present time. Such deficiency in the water supply for this area is of critical importance to the Department of Defense, especially the Department of

the Navy.

Without reference to activities of the other military departments, naval activities alone in the area served by the San Diego County Water Authority have currently assigned approximately 44,000 military and 18,000 civilian personnel, with whom reside an estimated 70,000 dependents. In addition, approximately 30,000 persons are reportedly employed in defense-production activities located within this area. Major naval activities, together with their plant-account value, are listed as follows:

United States naval air station	\$92, 520, 195
United States naval hospital	9, 630, 101
United States naval training center	19, 759, 664
United States naval station (including fleet training center)	72, 153, 874
Camp Elliott	11, 690, 000
Eleventh Naval District headquarters	13, 236, 173
United States naval supply depot	11, 403, 026

Total_ 230, 393, 033

The sources of water supply for San Diego are rain runoff collected in reservoirs, a small quantity pumped from wells, and water piped in from the Colorado River through the existing aqueduct. Under the present drought conditions, these sources are insufficient to provide water at a rate equal to the present consumption by the existing Federal installations and the civilian population. fore, if facilities are not constructed to provide an adequate supply of water, consideration must be given not only to revising mobilization plans for expanding military facilities and increasing personnel in the vicinity above present levels but also to the curtailment of the existing activities.

It has been estimated that the construction of the additional water-supply facilities authorized by S. 234 will cost approximately \$18,000,000. The cost of any major relocation of military activities now in the San Diego area will far exceed this sum. If this area is to retain its importance to the Department of

Defense, the enactment of this legislation is a military necessity.

The increased water supply for this area is required not only by the Federal activities therein but by the civilian population as well. Also, S. 234, if amended activities therein but by the civilian population as well. Also, S. 234, if amended as proposed herein, will provide for liquidation with interest of the cost to the Government of the works to be constructed. The required additional watersupply facilities therefor constitute a special type of project in the over-all Department of Defense public-works program and should not be considered within the present or any future ceilings on such program, but as an item separate

In the opinion of the Navy Department, however, section 2 of the proposed bill, which provides the method by which the new works will be turned over to the San Diego County Water Authority and for the repayment by the authority to the Government of the cost thereof, does not fully protect the interests of the Government. Its effect is to postpone the repayment of the balance of the cost of the original aqueduct until a date 40 years after the new works, will have been Moreover, it does not guarantee that the Government's requirements completed. for water will be met by the authority.

The Department of the Navy, on behalf of the Department of Defense, recommends the enactment of S. 234, provided section 2 thereof is amended to read as

follows:

"Sec. 2. No construction shall be undertaken under the authority of section 1 of this Act and no funds shall be expended for the preparation of plans or specifications for any such construction unless and until the Secretary of the Navy has entered into a contract with the San Diego County Water Authority amending the contract (NOy-13300) of October 17, 1945 (providing the completion of such existing aqueduct), to provide-

(1) for the computation of the true cost of the work performed under the authority of section 1 of this Act in the same manner as provided for deter-

mining true cost in such contract of October 17, 1945;
"(2) for the repayment of the true cost of the work performed under the authority of section 1 of this Act and the true cost of the work performed under such contract of October 17, 1945, remaining unpaid at the time of the completion of the work authorized by this Act, together with interest on the total of these amounts computed at the rate certified by the Secretary of the Treasury to be the average rate paid by the United States on its long-term loans, within a period of forty years after the completion and delivery to the San Diego County Water Authority of possession of the works constructed

under the authority of this Act: *Provided*, That repayment shall be made in annual installments of not less than one-fortieth $(\frac{1}{40})$ of the true cost due when computed as begin prescribed plus annually accrued interest:

when computed as herein prescribed plus annually accrued interest:

"(3) for the conveyance by the United States to the San Diego County
Water Authority of title to the works constructed (including all rights-of-way
and other interests in land used in connection with such works) under such
contract of October 17, 1945, together with the works constructed under the
authority of section 1 of this act, upon repayment of the true cost of such

works, including interest, computed as hereinabove set forth;

"(4) that after the effective date of this contract the San Diego County Water Authority shall furnish to the Government on a preferential basis, and at a rate no higher than that charged other users of comparable quantities of water, a minimum quantity of water sufficient to meet the requirements of Government activities located and to be located in the area served by the said Authority during the period that the aqueduct or aqueducts referred to in this act are under the management and operational control of said Authority."

The Navy Department desires to appear at any hearings that may be held on

subject bill in order to make its position clear.

This report has been coordinated within the Department of Defense in accord-

ance with the procedures prescribed by the Secretary of Defense.

The Bureau of the Budget, by letter to the Secretary of the Navy dated July 10, 1951, advised that there would be no objection from the standpoint of the program of the President to the enactment of S. 234, provided the Department of Defense considers that the project is sufficiently high priority from the standpoint of military necessity to be justified and financed within the Department's military public-works program, and if the bill were amended to provide for the payment of interest on the Federal investment by the San Diego County Water Authority and to provide for the sale of water at a preferential rate to Federal installations in the area.

In accordance with the request of the Director of the Bureau of the Budget, a copy of his letter to the Secretary of the Navy is transmitted with this report.

Sincerely yours,

DAN A. KIMBALL.